

Auditor's Summary

Financial Audit of the O'ahu Metropolitan Planning Organization

Financial Statements, Fiscal Year Ended June 30, 2016



PHOTO: O'AHU METROPOLITAN PLANNING ORGANIZATION

THE PRIMARY PURPOSE of the audit was to form an opinion on the fairness of the presentation of the financial statements for the O'ahu Metropolitan Planning Organization (OMPO) as of and for the fiscal year ended June 30, 2016, and to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by Choo, Osada & Lee, CPAs, Inc.

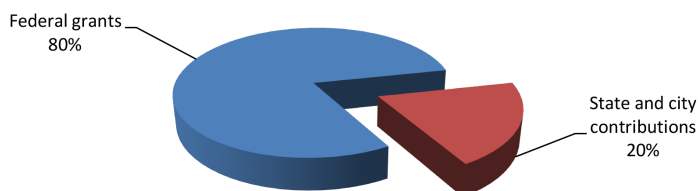
About the Organization

OMPO WAS ESTABLISHED in 1975 to serve in an advisory capacity to the State Legislature, Honolulu City Council, and appropriate state and county agencies in carrying out continuing, comprehensive, and cooperative transportation planning and programming for the island of O'ahu as required by federal law.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2016, OMPO reported total revenues of approximately \$1.2 million and total expenses of approximately \$1.2 million, resulting in no change in net position. Revenues consisted of \$979,000 from federal grants and \$245,000 from state and city contributions.

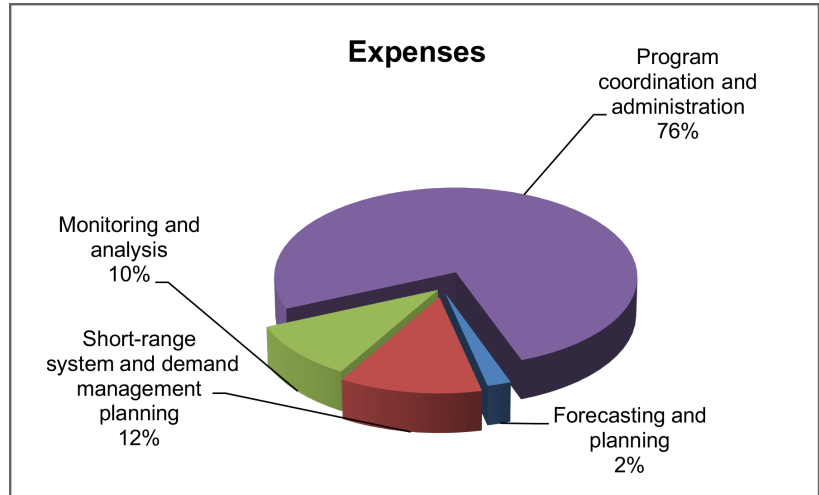
Sources of Revenues



Total expenses consisted of \$35,000 for transportation forecasting and long-range planning, \$139,000 for short-range transportation system and demand management planning, \$116,000 for transportation monitoring and analysis, and \$906,000 for program coordination and administration.

As of June 30, 2016, total assets exceeded total liabilities by \$77,000. Of this amount, \$73,000 is unrestricted and may be used to meet ongoing expenses and obligations.

Total assets of approximately \$1.4 million included cash of \$1.1 million, receivables and other assets of \$225,000, and net capital assets of \$4,000. Total liabilities totaled approximately \$1.3 million.



Auditors' Opinions

OMPO RECEIVED AN UNMODIFIED OPINION that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. OMPO received a qualified opinion on its compliance with major federal programs in accordance with the *Uniform Guidance*.

Findings

THERE WERE FIVE SIGNIFICANT DEFICIENCIES in internal control over financial reporting that are required to be reported under *Government Auditing Standards*.

- No established code of conduct and conflict of interest policy.
- Lack of formal procedures to assess risk associated with the accounting, grants management, and financial reporting areas.
- Accounting, grants management, and financial reporting policies and procedures were not specific or not documented.
- Appropriate documentation over a key spreadsheet used to summarize the allocation of costs to the appropriate grants was not maintained.
- Lack of formal procedures over its financial reporting process.

There was one material weakness in internal control over compliance.

- Lack of formalized documented procedures over the subrecipient monitoring process.

For the complete report and financial statements visit our website at:
http://files.hawaii.gov/auditor/Reports/2016_Audit/DOT_OMPO2016.pdf